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Review of the efficiency of the administrative and financial functioning of the United Nations

Seventh progress report on the accountability system in the United Nations Secretariat

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the seventh progress report of the Secretary-General on the accountability system in the United Nations Secretariat (A/72/773), submitted pursuant to General Assembly resolution 71/283. During its consideration of the report, the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 29 May 2018.

2. The report of the Secretary-General comprises two parts: the first provides an update on the recent actions, taken over the past year, to strengthen the accountability system in the United Nations Secretariat, initially presented at the sixty-fourth session of the General Assembly (see A/64/640); and the second explains how the Secretary-General intends to strengthen the Secretariat's accountability system to support his proposed new management paradigm. Annex I to the report of the Secretary-General provides a summary of the updated accountability system, which includes elements that have been added over the years as well as those proposed in the context of the proposed management reform.

3. The report of the Secretary-General entitled "Shifting the management paradigm in the United Nations: implementing a new management architecture for improved effectiveness and strengthened accountability" (A/72/492/Add.2) contains a number of elements relating to the accountability system in the United Nations and is currently before the General Assembly. The observations and recommendations of the Advisory Committee on that report are contained in the related report of the Committee (A/72/7/Add.49). The Committee recalls that it has also commented extensively on various aspects of the accountability framework in the context of a

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wide range of reports, over several years, on specific operational matters and initiatives that include an accountability dimension.[1]

4. In keeping with the general structure of the report of the Secretary-General, the Advisory Committee will provide its observations and recommendations in section II below on the recent actions taken to strengthen the existing accountability system in the Secretariat, and in section III below on the strengthening of the accountability system in the context of the proposed management reform. Certain issues, such as results-based management, which are dealt with in both sections II and III of the report of the Secretary-General are addressed by the Committee in section III below.

II. Observations and recommendations of the Advisory Committee on the update on the progress made in the strengthening of the accountability system

5. In its resolution 71/283 on progress towards an accountability system in the United Nations Secretariat, the General Assembly endorsed the conclusions and recommendations contained in the previous report of the Advisory Committee (A/71/820), with respect to the matters highlighted by the Committee. **The Committee notes that some aspects of resolution 71/283 on the accountability system have been implemented or are under implementation. However, the Committee regrets that a number of issues have not been specifically addressed, and no significant progress has been made on other issues or, in some instances, the requested information has not been included in the current progress report of the Secretary-General on the accountability system, as indicated in the paragraphs below.**

6. The following matters addressed in resolution 71/283 are considered in the context of the proposed management reform (see A/72/492/Add.2) and are therefore addressed in section III below: (a) the implementation of the enterprise risk management system (see resolution 71/283, para. 9); (b) the implementation of results-based management (ibid., paras. 13–14); and (c) addressing deficiencies in the current delegation of authority system (ibid., para. 18).

Definition of fraud and presumptive fraud

7. The Advisory Committee recalls its comments concerning the need to establish definitions, across the United Nations system, of what constitutes fraud and presumptive fraud (see A/71/820, paras. 11–12) and notes the request of the General Assembly in this regard (see resolution 71/283, para. 5). Upon enquiry, the Committee was informed that in April 2017, the High-level Committee on Management of the United Nations System Chief Executives Board for Coordination (CEB) had formally

[1] These include the Advisory Committee's previous reports on accountability (A/71/820; A/70/770; A/68/783; A/67/776; A/66/738; A/64/683 and A/64/683/Corr.1; A/63/457; and A/60/418). Other recent reports of the Committee containing comments on accountability-related matters include those on: activities of the Ethics Office (see A/71/557, paras. 138–151); special measures for protection from sexual exploitation and abuse (A/72/824); the global field support strategy (A/69/874); the global service delivery model (A/71/666); human resources management (A/72/558); financial reports and audited financial statements and reports of the Board of Auditors pertaining to United Nations entities (A/72/537); the report of the Board of Auditors on the accounts of the United Nations peacekeeping operations and report of the Secretary-General on the implementation of the recommendations of the Board concerning United Nations peacekeeping operations (A/72/850); the enterprise resource planning project (A/72/7/Add.31); and procurement activities (A/71/823).

adopted common definitions of fraud and presumptive fraud across the United Nations system.

8. Upon enquiry, the Advisory Committee was provided with the definitions promulgated by the High-level Committee on Management, as follows:

(a) Fraud: any act or omission whereby an individual or entity knowingly misrepresents or conceals a fact, (i) in order to obtain an undue benefit or advantage or avoid an obligation for himself, herself, itself or a third party, and/or (ii) in such a way as to cause an individual or entity to act, or fail to act, to his, her or its detriment;

(b) Presumptive fraud: allegations that have been deemed to warrant an investigation and, if substantiated, would establish the existence of fraud resulting in loss of resources to the Organization.

9. **The Advisory Committee welcomes the adoption of the United Nations system-wide definitions of fraud and presumptive fraud.**

Anti-Fraud and Anti-Corruption Framework

10. The Advisory Committee notes the issuance of the Anti-Fraud and Anti-Corruption Framework for the United Nations Secretariat[2] on 9 September 2016, and also notes that the General Assembly has requested the Secretary-General to report on the implementation and the impact of the measures taken thereon in the seventh progress report on the accountability system. Upon enquiry, the Committee was informed that the Board of Auditors had undertaken a review, during the first quarter of 2018, of the implementation of the Framework, with the findings to be reported at the main part of the seventy-third session of the Assembly in the report of the Board on the financial report and audited statements of the United Nations (Vol. I). **The Committee looks forward to examining the Board's findings with respect to the status of the implementation of the Framework. The Committee recommends that the General Assembly request the Secretary-General to include updates on the implementation of the Framework, as a matter of routine, in future reports of the Secretary-General on the accountability system (see also A/72/789, para. 31).**

Comprehensive fraud risk assessment

11. The Secretary-General indicates that six critical areas at risk of fraud and corruption have been identified: (a) organizational culture and accountability; (b) information and communications technology governance and cybersecurity; (c) the Umoja system control environment; (d) implementing partners; (e) theft of fuel, rations and inventory; and (f) procurement (see A/72/773, paras. 11–16). Upon enquiry, the Advisory Committee was informed that the Secretary-General's Management Committee had approved, in February 2018, a Fraud and Corruption Risk Register of the 16 risk areas identified during the assessment, of which the aforementioned six areas were deemed to be at very high, or critical, risk, and that the Secretariat was consulting the oversight bodies about the results of the assessment. The Committee was also informed that the strengthening of measures against fraud and corruption was an integral part of the Secretary-General's management reform process, with risk mitigation measures to be monitored periodically. **The Committee notes the progress made on the fraud and corruption risk assessment, pursuant to General Assembly resolution 71/283. The Committee recommends that the Assembly request the Secretary-General to include details on the measures taken to monitor and mitigate risk, as included in the newly established Risk Register, in future reports of the Secretary-General on the accountability system.**

[2] See ST/IC/2016/25.

Updating of legal instruments for engaging third parties

12. With respect to the request of the General Assembly that the Secretary-General update the legal instruments for engaging third parties, such as vendors and implementing partners, with particular attention to anti-fraud clauses and provisions (see resolution 71/283, para. 8), the Advisory Committee notes that risks emanating from the Organization's relationship with implementing partners are considered to be one of the six critical risk areas. The Committee notes furthermore that the system-wide definition of fraud and presumptive fraud is also applicable to actions by third parties. Upon enquiry, the Committee was informed, however, that the updating of legal instruments, as requested by the Assembly, was in its beginning stages and that the development of an Organization-wide policy for the management of implementing partners would require the revision of the Financial Regulations and Rules of the United Nations. A related consultation process was currently under way with all stakeholders, including the Office of Legal Affairs.

13. **In view of the critical risk exposure to the Organization, the Advisory Committee recommends that the General Assembly request the Secretary-General to ensure the inclusion of standard anti-fraud and anti-corruption clauses in the relevant new and existing legal instruments for engaging third parties. In addition, the Committee recommends that the Assembly also request the Secretary-General to implement, without further delay, an Organization-wide policy on the management of implementing partners.**

Protection against retaliation

14. The Advisory Committee recalls that, in compliance with General Assembly resolution 70/255, a whistle-blower policy was issued on 20 January 2017, in the Secretary-General's bulletin on protection against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations.[3] The Committee notes that its previous request (see A/71/820, para. 20), endorsed by the Assembly (see resolution 71/283, paras. 11–12), for the inclusion of detailed information on the implementation of the policy on protection against retaliation, is not fully addressed in the latest report of the Secretary-General. Upon enquiry, the Committee was informed that, of 26 cases referred to either the Ethics Office or the Office of Internal Oversight Services, 5 were determined to be cases of retaliation, upon the conclusion of the investigation. **The Committee recommends that the General Assembly reiterate its request that the Secretary-General include relevant statistics in future reports on the accountability system.**

15. The General Assembly, in paragraph 11 of its resolution 71/283, emphasized the need for clear communication of the policy on protection against retaliation. **The Advisory Committee regrets that information thereon was provided only upon enquiry but not included in the report of the Secretary-General.** The Committee was informed that efforts to disseminate information on the Organization's policy on protection against retaliation, whistle-blower policy and standards of conduct included: (a) training and education services, such as mandatory online courses on ethics and integrity at the United Nations and on the prevention of fraud and corruption at the United Nations; (b) outreach by the Ethics Office highlighting the new provisions of the policy on protection against retaliation, such as, in 2017, two webcast town hall meetings in New York and training at 17 field missions, headquarters locations and offices away from headquarters, and in 2018, training at 14 further locations; (c) the Leadership Dialogue topic in 2017, with 29,000 participants, entitled "Standards of conduct: what's expected of me?", with a focus

[3] ST/SGB/2017/2/Rev.1.

on the responsibility of staff to report wrongdoing and the provisions of whistle-blower protection, and the planned Dialogue topic for 2018, entitled "Speaking up: when does it become 'whistle-blowing'?"; and (d) plans for 2018 for a topical communication strategy organized by the Ethics Office. **The Committee underlines the importance of the full implementation of the policy against retaliation and welcomes the efforts made to disseminate that policy. Furthermore, the Committee recommends that the General Assembly request the Secretary-General to include an overview of information and training activities in this respect in future reports on the accountability system.**

Implementation of General Assembly resolutions

16. In its resolution 71/283, the General Assembly requested the Secretary-General to continue to use the tracking mechanism to monitor the status of the implementation of relevant General Assembly resolutions on administrative and budgetary matters and to include comprehensive information on the implementation of such resolutions in the biennial programme performance report.

17. **With respect to the tracking and implementation of the General Assembly resolutions specifically pertaining to the accountability system, the Advisory Committee regrets that implementation, follow-up and reporting have been inconsistent and reiterates that this information should be included in performance reports on the programme budget (see A/71/820, para. 28), as requested by the Assembly in resolution 71/283. Furthermore, the Committee expects that future reports on the accountability system will regularly include a summary on the specific actions taken and progress made to ensure compliance with pertinent resolutions of the Assembly (see also para. 53 below).**

Performance management, including performance incentives, remedial action and sanctions

18. The Advisory Committee recalls that on average, approximately 98 per cent of staff were deemed to have been working excellently (exceeds performance expectations) or well (fully satisfactory performance) (ibid., para. 42). **The Committee continues to reiterate its view, which was endorsed by the General Assembly (see resolution 71/283, para. 16), that the current ratings distribution may not be an accurate reflection of performance in the Organization, and expects specific measures that would result in more credible ratings. The Committee intends to revert to this issue in the context of its consideration of the forthcoming reports of the Secretary-General on human resources management to be submitted at the seventy-third session of the Assembly.**

19. The Secretary-General indicates that work related to incentives, remedial action and sanctions will be completed as soon as possible, subject to the staff-management consultative process, and that the Secretariat will report on the results in a future accountability report (see A/72/773, paras. 25–28).

20. With respect to incentives, the Secretary-General indicates that, following the adoption of General Assembly resolution 72/255, the proposed principles and guidelines of the International Civil Service Commission (ICSC) will be reflected in the ongoing review of the performance management system of the Secretariat (ibid., para. 26). **The Advisory Committee trusts that any performance incentives will be consistent with the guidance of ICSC and that any new proposals in this regard, including any possible financial implications, will be considered by the Assembly in accordance with established procedures.**

21. Upon enquiry, the Advisory Committee was provided with information on specific remedial action taken in cases involving various staffing performance-related

matters since 2010. These included the following details: (a) 30 staff members had been disciplined for failure to comply with various General Assembly resolutions condemning sexual exploitation and abuse; (b) 8 staff members had been sanctioned for breaches involving the dissemination of confidential information; and (c) 9 staff members had been sanctioned for breaches of the Financial Rules governing procurement and related processes as established in the Procurement Manual. With respect to breaches of the Staff Regulations and Rules of the United Nations, 565 cases had resulted in the imposition of an administrative or disciplinary measure and 272 cases had resulted in the placement of a note in the official status files of the separated staff members concerned.[4] **The Committee recommends that the General Assembly request the Secretary-General to include aggregate information on consequences and remedial action taken in future reports on the accountability system.**

22. With respect to personal accountability, including as a result of measures proposed in the context of the proposed management reform, the Advisory Committee was informed, upon enquiry, that personal accountability would entail a willingness to accept responsibility and that the decision maker must be cognizant of her or his authorities and responsibilities, the related policy framework and possible consequences, and that therefore only a decision maker with a full understanding of the overall framework could legitimately be held accountable. **The Committee is of the view that lack of knowledge of the Organization's regulations and rules, its policy framework and its codes of conduct, as well as of defined authorities and responsibilities pertaining to staff and other United Nations officials, does not exempt individuals working for the Organization in any capacity from taking responsibility and being held accountable for their actions.**

23. **The Advisory Committee also reiterates its view that the credibility of the accountability framework rests on the ability of the Organization to enforce remedial measures for staff and officials who have not adequately exercised their responsibilities, based on a clear, transparent and precise set of parameters, which are aimed at identifying areas of responsibility, particularly for senior managers (see also A/70/770, para. 29).**

Timely submission of documentation

24. With respect to documentation submitted by the Secretariat for intergovernmental consideration, the Advisory Committee recalls the latest report of the Secretary-General on the pattern of conferences, in which it was indicated that 69, or only 66 per cent, of the 104 reports slotted for the main session of the Fifth Committee in 2016 had been issued six weeks before consideration (see A/72/116, paras. 25–27). In connection with reports submitted to the Committee itself for consideration and advice before subsequent transmittal to the Fifth Committee, the Committee recalls, for example, that during its consideration of the Secretary-General's proposed programme budget for the biennium 2018–2019, it made a number of requests for information to which, in its view, the responses were unsatisfactory, remained unanswered or were submitted several weeks after the initial request. As a general observation, the Committee also observes that it often conducts its review on the basis of "unedited advance" versions of documents, some of which require subsequent alteration on matters of fact and substance.

25. **In paragraph 17 of its resolution 71/283, the General Assembly requested that the Secretary-General ensure the continued inclusion in the senior**

[4] The Under-Secretary-General for Management issues an annual report to provide information about misconduct and/or criminal behaviour and the disciplinary consequences, most recently covering the period from 1 July to 31 December 2017 (see A/73/71).

managers' compacts of a managerial indicator pertaining to the timely submission of documents and to report on this issue in the seventh progress report. The Advisory Committee trusts that an update on this matter will be provided to the Assembly at the time of its consideration of the present report. The Committee also expects that status updates will be included in future progress reports on the accountability system. Further comments on strengthening the senior managers' compacts are reflected in paragraphs 46 and 47 below.

Sexual exploitation and abuse

26. An overview of measures to strengthen the Organization's protection against sexual exploitation and abuse is provided in paragraphs 17 to 19 of the report of the Secretary-General, including on the development of a sexual exploitation and abuse risk management toolkit, to be launched in the latter part of 2018, providing missions with a systematic approach to identifying, assessing and mitigating related risks. **The Advisory Committee recalls its observations and comments presented in its most recent report on special measures for protection from sexual exploitation and abuse (A/72/824) and emphasizes that instituting special measures for combating sexual exploitation and abuse is an essential part of the accountability system of the Organization.**

Combating sexual harassment

27. An overview of measures to combat sexual harassment is provided in paragraphs 20 to 24 of the report of the Secretary-General. This includes information on: (a) the zero-tolerance approach to sexual harassment in the workplace; (b) actions undertaken to ensure that appropriate mechanisms are in place to prevent, investigate and respond to such incidents and provide protection for victims and witnesses; (c) the revised policy on investigations and disciplinary processes;[5] and (d) other measures, such as a 24-hour helpline and an updated mandatory training programme on the prevention of sexual harassment and abuse. Furthermore, a CEB task force focused on improving system-wide data collection and prevention and response efforts will present its findings and recommendations to the High-level Committee on Management and CEB in May 2018. **The Advisory Committee trusts that the Secretary-General will update the General Assembly on the findings of the task force at the time of its consideration of the present report.** The Committee intends to address this subject further in the context of its consideration of future reports on human resources management.

Implementation of recommendations of the Board of Auditors

28. The Advisory Committee addressed the findings of the Board of Auditors for the performance period 2016/17 in paragraphs 24 to 31 of its report on cross-cutting issues related to peacekeeping operations (A/72/789). The Board issued 75 recommendations for 2016/17, compared with 55 for 2015/16 and 31 for 2014/15. The Board indicated that, of the recommendations issued for 2014/15, 78 per cent had been implemented, while 42 per cent of those issued for 2015/16 had been implemented. The Board also acknowledged that recommendations might require related actions and might therefore, in some cases, require a longer time to implement. With respect to the implementation of recommendations in other United Nations entities, including the Secretariat, the Committee addressed the related findings of the Board in its latest report on financial reports and audited financial statements and reports of the Board of Auditors (A/72/537). In that report, the Committee also noted

[5] See ST/AI/2017/1.

low overall implementation rates, specifically, a decrease from 65 per cent in the biennium 2008–2009 to only 45 per cent in 2016 (ibid., paras. 16–18).

29. **The Advisory Committee reiterates the importance of the full and timely implementation of the recommendations of the Board of Auditors (see also A/72/537, para. 18, and A/71/669, para. 19). Furthermore, the Committee recommends that the General Assembly request the Secretary-General to include in future reports on the accountability system information on actions taken to implement recommendations of the Board as part of efforts to strengthen senior managers' compacts so as to ensure personal or institutional accountability for addressing external audit recommendations (see also sect. III below).**

III. Observations and recommendations of the Advisory Committee on the Secretary-General's proposals for strengthening the accountability system of the Secretariat under the new management paradigm

30. As the Secretary-General indicates in his report, the General Assembly, in paragraph 8 of its resolution 64/259, decided upon a definition of accountability for the United Nations Secretariat (see also A/72/773, para. 44). The definition includes six components that are at the core of the accountability system: (a) the Charter of the United Nations; (b) the programme planning and budgetary documents of the Organization; (c) results and performance; (d) the internal control system; (e) ethical standards and integrity; and (f) oversight functions. Figure II of the report summarizes the key elements and the interactions of the six components of the accountability system. The Secretary-General also indicates that the accountability system of the Secretariat has been strengthened since 2010[6] to reflect the evolving objectives, standards and processes of the United Nations. As indicated in paragraph 2 above, the Secretary-General provides a summary of the updated version of the accountability system in the Secretariat, including the new elements related to the proposed management reform.

31. The Secretary-General states that his proposed new management paradigm will empower managers to determine how best to use their resources to support programme delivery and mandate implementation, and that as part of this paradigm, he intends to decentralize decision-making by delegating directly to the heads of entities across the Secretariat the authorities needed for the effective stewardship of their resources. The Secretary-General also states that authorities will be delegated on the basis of careful consideration of the capacity of the managers to receive such authority and their ability to properly execute it. In addition, the Secretary-General proposes to accompany the envisaged expansion of the delegation of authority with complementary measures that include: (a) a simplification and streamlining of the rules, policies and procedures; (b) the creation of new, clear and simplified policies and administrative guidance accompanied by appropriate training, support, monitoring and accountability mechanisms; and (c) the introduction of a new performance monitoring and compliance function to assess the conformity of the Organization's operations in accordance with the internal control system and the best practices applicable to the Secretariat's business processes.

32. In paragraph 41 of his report, the Secretary-General provides further detail on the complementary measures to support the envisaged changes to the system of

[6] The components of the accountability system of the Secretariat was initially described in annex I to the report of the Secretary General entitled "Towards an accountability system in the United Nations Secretariat" (A/64/640).

delegation of authority, which include the following elements: (a) preparing clear management accountability guidance; (b) strengthening the implementation of results-based management; (c) improving the effectiveness of the risk management systems through the "three lines of defence" model (see paras. 39–40 below); (d) strengthening the senior managers' compact system; (e) adopting a statement of internal control to be signed by all senior managers; (f) creating a system of delegation of authority that clearly delineates authorities and responsibilities in an accountability matrix; and (g) developing a new set of monitoring and compliance functions. The Advisory Committee provides its observations and recommendations on the individual proposals in the paragraphs below.

Management accountability guidance

33. The Secretary-General states that efforts are under way to streamline and simplify the internal policy framework to better support decision-making, as well as to increase transparency by introducing dashboards and other tools to report on the use of resources and the progress made in programme delivery throughout the year. He indicates that the Secretariat will prepare comprehensive, clear and easy-to-understand guidance on all aspects of the Secretariat's accountability structures and operations, which will include hyperlinks directing the user to original sources of information and will be updated on a continuous basis. In addition, he indicates that the system of guidance is intended to convey to every staff member the Secretariat's expectations for conduct, sound performance and efficient management practices. The guidance will also be used in the induction training provided for newly recruited staff, including senior leadership.

34. **The Advisory Committee notes the Secretary-General's intention to provide clear, updated accountability guidance for staff members at all levels as well as to introduce dashboards and provide data to support decision-making and the monitoring of performance. The Committee stresses that there is also a need for systematic mechanisms to ensure that this guidance is well understood and will be applied as intended (see paras. 41–45 below). The Committee looks forward to receiving details on the progress made in this regard in the Secretary-General's next progress report.**

35. **With respect to the streamlining and simplification of the policy framework, the Advisory Committee trusts that the Secretary-General will provide to the General Assembly information on the outcome of such efforts, including details such as the number of issuances by administrative area at the start and the end of the process, examples of the elements simplified, and the impact of simplification on the internal controls. The Committee emphasizes in particular the need to identify the impact of the simplification of the policy framework and changes to the delegation of authority system on the Financial and Staff Regulations and Rules of the United Nations. The Committee trusts that the Secretary-General will present all amendments to the Financial and Staff Regulations and Rules, as well as the rationale for the changes, to the Assembly in a timely manner (see A/72/129/Rev.1).**

Results-based management

36. In its resolution 71/283, the General Assembly reaffirmed that results-based management and performance reporting were essential pillars of a comprehensive accountability framework, and reiterated its request that the Secretary-General provide in his next progress report a detailed plan, with a fixed time frame and clear milestones, for the implementation of results-based management in the regular functioning of the Organization. The Advisory Committee recalls that in its resolution 67/253, the Assembly requested the Secretary-General to start to implement the

results-based management framework presented in the second progress report on the accountability system in the United Nations Secretariat (A/67/714), in a phased manner while further refining the framework. Upon request, the Committee was provided with a list of audit reviews and evaluations regarding the implementation of results-based management in the Secretariat, which is contained in the annex to the present report.

37. Results-based management is discussed in paragraphs 51 to 62 of the seventh progress report of the Secretary-General. Annex II to the report includes an action plan for the implementation of results-based management at the United Nations Secretariat during the period 2018–2021, comprising the following actions: (a) action 1: fostering the commitment of senior management to the implementation of results-based management and accountability; (b) action 2: strengthening the Secretariat's capacities in results planning, budgeting and reporting; (c) action 3: upgrading the Secretariat's information technology platform to support the results-based management system; (d) action 4: using results information for learning and managing and for reporting, programming, planning, budgeting and accountability; and (e) action 5: evaluating, reviewing and updating the results-based management framework and its implementation. The Secretary-General indicates that the proposed plan reflects the conceptual framework and governance structure that was presented in the second progress report (ibid.), and also provides the Secretariat's view of the definition of results-based management. Furthermore, the Secretary-General indicates that the implementation of the full scope of Umoja will improve the implementation of results-based management by strengthening the link between results and the utilization of resources and by providing managers with better tools to proactively manage programme delivery. It is also indicated that programme and financial performance information will be displayed on dashboards which will be rolled out starting in early 2019.

38. In the report of the Secretary-General on management reform (see A/72/492/Add.2, paras. 55 and 60), it is indicated that the Organization as a whole, and its individual staff members, will be held accountable for delivering agreed results, while complying with regulations, rules and ethical standards. **The Advisory Committee trusts that the Secretary-General will provide in his next report further details on how the implementation of results-based management will be used to demonstrate progress in strengthening accountability, and how improvements in the delivery of mandates and achievement of objectives in full compliance with relevant regulations and rules will be assessed and measured.**

Risk management and the "three lines of defence" model

39. In his seventh progress report, the Secretary-General indicates that a stronger emphasis will be placed on the "three lines of defence" model[7] to enhance clarity regarding risks and controls and assist in improving the effectiveness of the risk management systems (see A/72/773, para. 41 (c)). Upon enquiry, the Advisory Committee was informed that the model did not represent a departure from the existing accountability system, but rather was a way of clarifying essential roles and responsibilities for risk management and internal controls in the Organization. Details on the model are provided in paragraphs 61 to 90 of the report, and would consist of the following:

(a) A first line of defence, comprising the functions of the operational managers who own and manage risks and are responsible for implementing corrective actions to address process and control deficiencies in their respective areas (ibid.,

[7] See https://global.theiia.org/standards-guidance/recommended-guidance/Pages/The-Three-Lines-of-Defense-in-Effective-Risk-Management-and-Control.aspx.

paras 67–77). The measures envisaged to support accountability include: the implementation of enterprise risk management by departments, offices and missions; the establishment of a delegation of authority matrix; a strengthening of the senior managers' compacts; and the requirement that every head of a department, office or mission sign a statement of internal control attesting to compliance with the internal control framework under his or her area of responsibility;

(b) A second line of defence, comprising central management functions that oversee risk and internal controls and provide the advice and support necessary for operational managers to integrate risk management into key processes (ibid., paras. 78–85). The compliance functions envisaged include management reviews, quality assurance tests, self-evaluation exercises and management assessments. Other measures envisaged include: the establishment of guidelines and support for the exercise of delegation of authority; the management of delegation of authority, including the establishment of a consolidated policy document, the documentation of delegated actions and the definition of criteria for corrective action in the event of improper use of delegated authority; the monitoring of segregation of duties, performance and compliance through data analytics; the provision of guidelines on effective engagement with the oversight bodies; and the provision of confidential advice by the Ethics Office. The Secretary-General indicates that under the proposed new management paradigm, the above-mentioned responsibilities will be entrusted primarily to Department of Management Strategy, Policy and Compliance, which will collaborate with the Department of Operational Support in areas such as quality control;

(c) A third line of defence, comprising the independent assurance functions provided by the Office of Internal Oversight Services, which include: providing assurance that programme activities have led to the programmed results and have been implemented in compliance with all relevant resolutions, regulations, rules and policies of the Organization, thereby assisting the Secretary-General in protecting the Organization's assets; and preventing and detecting fraud, waste, abuse, malfeasance and mismanagement. In addition, the Office conducts audits, evaluations, inspections and investigations, and its reports are presented directly to the General Assembly (ibid., para. 86).

40. **The Advisory Committee welcomes the intention of the Secretary-General to embed risk management in Secretariat entities as part of their responsibilities for the day-to-day management of their operational activities, accompanied by monitoring of compliance and performance (see A/64/683 and A/64/683/Corr.1, para. 50). The Committee is of the view that, when properly implemented, the ownership of risk by individual managers is important for internal control accountability. The Committee trusts that the Secretary-General will provide in his next report further details on the practical application of the "three lines of defence" model, including any lessons learned and improvements made in the operational effectiveness of the entities in question.**

Delegation of authority

41. In paragraph 18 of its resolution 71/283, the General Assembly stressed the need for the Secretary-General to address the deficiencies in the current delegation of authority system through the promulgation of well-defined roles and responsibilities of individuals at all levels to whom authority was delegated, systemic reporting mechanisms on monitoring and exercise of delegated authority and actions to be taken in cases of mismanagement or abuse of authority.

42. In this regard, the Advisory Committee recalls that in the report of the Secretary-General on implementing a new management architecture (A/72/492/Add.2), it was

indicated that the Secretariat had undertaken a comprehensive mapping of the flow of the current delegations of authority, and that a comprehensive review of the existing authorities and an assessment of individual capacities and monitoring requirements would be completed during 2018. In that report, the Secretary-General also indicated that delegations of authority would be granted on a functional rather than a personal basis to managers recruited against specific functions, who would be selected and maintained in their positions on the basis of their ability to responsibly and accountably exercise those delegations. In its related report (A/72/7/Add.49), the Committee requested the Secretary-General to provide information on the outcome of the mapping of the flow of the current delegations of authority, and of the review of the existing authorities and assessment of individual capacities.

43. In his seventh progress report, the Secretary-General indicates that the additional measures envisaged to strengthen accountability in the context of the management reform include the creation of an improved and streamlined system of delegation of authority that clearly delineates authorities and responsibilities in an accountability matrix (see A/72/773, para. 41 (f)). Information on such a matrix, which is part of the first line of defence, is provided in paragraphs 74 and 75 of the report. It is indicated that the matrix will be designed in line with the delegations of authority granted for the different administrative functions (e.g., human resources management, budgeting and finance and procurement) and will include, inter alia: (a) information on the responsible official, or head of the entity who is responsible and accountable for the proper utilization of the authority delegated; (b) the scope of the authority, including any specific thresholds, limitations or requirements to subdelegate; (c) the specific monitoring and reporting obligations that must be fulfilled with the authority delegated; and (d) the specific qualifications and/or training requirements needed to exercise the delegation of authority responsibly, and the set of regulations, rules, policies and procedures that must be followed or taken into consideration when exercising the delegated authority (ibid., para. 74). The Secretary-General also indicates that the framework for delegation of authority will include information concerning specific corrective actions to be taken in cases where the delegated authority has not been properly used.

44. **The Advisory Committee considers that the provision of some examples of delegation of authority matrices for typical key functions may enable a better understanding of the functioning and practical implications of the envisaged system of delegation of authority, including, for instance, delegation of authority matrices for heads of Secretariat entities (department/office/regional commission/field mission), the directors of administration of United Nations offices/missions, procurement officers, certifying officers and approving officers. The Committee is also of the view that the provision of comparative information on the existing and envisaged delegations of authority would provide greater clarity on the changes envisaged.[8] In addition, with regard to the delegation of authority on a functional rather than a personal basis, the Committee is of the view that further information should also be provided on the procedures envisaged to determine that the managers and individual staff members to whom**

[8] This could include, for example, comparative charts with information on: (a) the changes to the current procedures for delegating authority for the administration of the financial and staff regulations and rules (see ST/AI/2016/7 and ST/SGB/2015/1), in particular the authorities currently delegated to the existing Under-Secretaries-General for Management and Field Support, the Assistant Secretary-General, Controller, the Assistant Secretaries-General for Central Support Services, Human Resources and Field Support, the Assistant Secretary-General, Chief Information Technology Officer, and the Director of the Logistics Division; and (b) the changes to the procedures for the designation of certifying and approving officers, or of staff members performing significant functions in the management of human, financial and physical resources.

authority is to be delegated have the ability to responsibly and accountably exercise those delegations.

45. **The Advisory Committee recommends that the General Assembly request the Secretary-General to include in his next progress report details that would facilitate a better understanding of the functioning and practical implications of the revised system of delegation of authority, taking into account the Committee's comments and observations in the paragraphs above. The Committee trusts that, in relation to the implementation of the revised system of delegation of authority, assurances will be provided to the Assembly that the requisite safeguards, including risk and accountability mechanisms, are in place to ensure responsible exercise of the delegation of authority and stewardship of resources (see also A/72/7/Add.49, para. 19).**

Strengthening of the senior managers' compact system

46. Information on the strengthening of the senior managers' compacts is provided by the Secretary-General in paragraph 76 of his seventh progress report, as part of the measures proposed under the first line of defence. It is indicated that the compacts were strengthened in 2018 to include, among other things, the profile of leadership of the CEB-endorsed United Nations system leadership framework, and that further new features are to be introduced in 2019, such as: (a) dashboards detailing information on performance and programme implementation based on self-evaluations and the incorporation of lessons learned from programme implementation; (b) the results of a 360-degree evaluation for senior managers; and (c) the results of surveys of staff perceptions of leadership and managers. The Secretary-General also indicates that annual performance compacts for senior managers will reflect the objectives and expected results of the Organization, which will then cascade down through the workplans of successive levels of managers and staff at all levels, and that those workplans will become the fundamental building block for holding senior managers and staff at all levels accountable for their performance (see A/72/773, para. 54).

47. The Advisory Committee recalls that the senior managers' compact system was introduced in 2006. In its previous reports, the Committee expressed its view that, if properly implemented, the compact system could become a powerful tool for accountability. However, the Committee notes that there is little evidence that the senior managers' compacts have had any real impact in terms of enhancing accountability. Notwithstanding the lack of encouraging results to date, the Committee continues to believe that the compact system could develop into an effective instrument for accountability. In addition, in view of the linkages between the compacts and the workplans of staff at all levels, the Committee is of the view that the senior managers' compacts can be used to assess departmental performance (see para. 53 below). **The Committee recommends that the General Assembly request the Secretary-General to pursue his efforts to improve the effectiveness of the senior managers' compacts as instruments for accountability, and to submit information in his next report on measures to further strengthen the senior managers' compact system.**

Statement of internal control

48. In his seventh progress report, the Secretary-General indicates that, as part of the first line of defence, at the end of each calendar year, every head of a department, office or mission will be required to sign a statement of internal control[9] attesting to

[9] The Advisory Committee was informed that the statement of internal control was based on internal control framework 3 of the Committee of Sponsoring Organizations of the Treadway Commission.

compliance with the internal control framework under his or her area of responsibility. **The Advisory Committee trusts that the General Assembly will be provided with further information on the significance of such a statement, as well as details on how it is to be operationalized and certified, and used as an instrument for accountability.**

Dashboards for Member States

49. The Secretary-General indicates that the programmatic and financial performance of individual programmes will be reflected on dashboards, which will be updated quarterly and made accessible to Member States and staff (ibid., para. 2). **The Advisory Committee considers that the dashboards could be a useful instrument for improving transparency and trusts that the Secretary-General will provide further details in his next report on developments in this regard.**

IV. Concluding observations and recommendations

50. **The Advisory Committee recalls that, in its resolution 72/266 on management reform, the General Assembly stressed that accountability was a central principle of management reform. The Committee trusts that every effort will be made to ensure that the implementation of the changes proposed result in a more robust and effective accountability system, with comprehensive and transparent reporting to the Assembly.**

51. As a general observation, the Advisory Committee notes that in his report, the Secretary-General outlines a framework for the proposed changes to the accountability system, and that the details of the proposals and how they are to be operationalized remain to be developed. In the paragraphs above, the Committee has highlighted some examples of information on the modalities of the accountability system, which, in its view, should be provided to the General Assembly. **Accordingly, the Committee trusts that the Secretary-General will provide in his next report further details and information on how he intends to implement his proposals regarding the accountability system in the Secretariat and its adaptation to the proposed management reform.**

52. With respect to the implementation of accountability measures, on the basis of its consideration of the annual progress reports on accountability, it appears to the Advisory Committee that these have in the past consisted mainly of informing and raising the awareness of staff and managers. **The Committee is of the view that there is a need to develop more robust and objective mechanisms to assess whether the requisite knowledge/capacities have effectively been acquired by staff members and managers. The Committee trusts that the performance management system will keep track of the capacities acquired and responsibilities exercised by individual staff members and managers.**

53. With respect to the format and content of the annual progress reports of the Secretary-General on accountability, the Advisory Committee notes that to date, the progress reports mostly provide descriptions of the administrative policies, procedures, tools and systems implemented or envisaged for implementation under the different areas of the accountability system. In general, few details are provided on the implementation of the various accountability measures, the weaknesses they are intended to address, or the next steps envisaged. The Committee also notes that the progress reports do not regularly present information on the mechanisms for monitoring and reporting on the application of those measures, the indicators and performance data used to measure progress and an analysis of their effectiveness in terms of strengthening accountability. While recognizing that the accountability

system consists of a range of components and that accountability-related information is distributed across multiple reporting mechanisms (such as budget proposals and budget performance and programme performance reports), the Committee is of the view that the annual progress reports on accountability should be enhanced to provide, in addition to details and proposals on specific accountability policies, systems and mechanisms, an overview of the status of accountability in the Secretariat. This could include a set of indicators[10] to monitor overall trends and progress resulting from the implementation of the system of accountability (see also paras. 14, 15, 17, 21, 25 and 29 above). In this regard, the Committee notes that the senior managers' compacts can be used to assess overall performance and trends at the departmental/office/entity level (see para. 47 above). **Accordingly, the Committee recommends that the General Assembly request the Secretary-General to expand the content of future progress reports on the implementation of the accountability system in the Secretariat by providing more complete information on the overall status of accountability in the Secretariat, with key performance indicators and supporting statistical information to substantiate results, as well as an analysis of the impact of the application of specific accountability measures.**

54. With respect to the linkages between the management reform initiative and efforts to strengthen institutional and personal accountability, the Advisory Committee was informed, upon enquiry, that the Organization's ability to strengthen accountability measures would be limited in the event that the proposals contained in the report of the Secretary-General on the implementation of a new management architecture (A/72/492/Add.2) should not be approved in their totality by the General Assembly. **The Committee strongly believes that, irrespective of any decision that the General Assembly may take on the management reform initiative, an effective accountability system is key to the successful management of the Secretariat, and that the continuous adaptation and strengthening of the accountability system is an essential responsibility of the Secretary-General.**

V. Recommendation

55. The action to be taken by the General Assembly is set out in paragraph 92 of the report of the Secretary-General. **The Advisory Committee recommends that the Assembly take note of the seventh progress report of the Secretary-General on the accountability system in the United Nations Secretariat, subject to its observations and recommendations in the paragraphs above.**

[10] In areas such as compliance with regulations and rules; financial, programmatic and managerial performance; the achievement of results; the accountable exercise of duties, responsibilities and delegated authorities; and the status of the culture of accountability in the Secretariat.

Annex

List of audit reviews regarding the implementation of results-based management in the Secretariat and in the United Nations system

Reports of the Office of Internal Oversight Services

- Review of results-based management at the United Nations (A/63/268)
- Evaluation report: report of the Office of Internal Oversight Services on the Office of Programme Planning, Budget and Accounts (assignment No.: IED-10-009)

Reports of the Board of Auditors

- Financial report and audited financial statements for the year ended 31 December 2016 and report of the Board of Auditors on the United Nations (A/72/5 (Vol. I) and A/72/5 (Vol. I)/Corr.1)
- Financial report and audited financial statements for the year ended 31 December 2015 and report of the Board of Auditors on the United Nations (A/71/5 (Vol. I))
- Financial report and audited financial statements for the year ended 31 December 2014 and report of the Board of Auditors on the United Nations (A/70/5 (Vol. I) and A/70/5 (Vol. I)/Corr.1)
- Financial report and audited financial statements for the biennium ended 31 December 2013 and report of the Board of Auditors on the United Nations (A/69/5 (Vol. I))
- Financial report and audited financial statements for the biennium ended 31 December 2011 and report of the Board of Auditors on the United Nations (A/67/5 (Vol. I) and A/67/5 (Vol. I)/Corr.1)

Reports of the Joint Inspection Unit

- Results-based management in the United Nations development system: analysis of progress and policy effectiveness (JIU/REP/2017/6)
- Results-based management in the United Nations in the context of the reform process (JIU/REP/2006/6, JIU/REP/2006/6/Corr.1 and JIU/REP/2006/6/Corr.2)
- Implementation of results-based management in the United Nations organizations: part I: series on managing for results in the United Nations system (JIU/REP/2004/6)